Divestment of RBI's stakes in NABARD

27. SHRI HARISH RAWAT: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has firmed up a plan to divest its stake of Rs. 1450 crore worth of NABARD paid-up shares (consisting of 72.5 per cent of total paid-up shares of Rs. 2000 crore of NABARD) in favour of the Central Government;

(b) how would it affect the functioning of rural credit delivery system in the country when RBI would lose its right to get represented on the Board of Directors of NABARD after such divestment;

(c) whether this move would affect the hitherto sound monitoring of NABARD by RBI; and

(d) whether Government has any plant to divest part of NABARD shares into the market?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir. It has been decided to transfer stake of Reserve Bank of India (RBI) in NABARD to the Government of India (GoI).

(b) and (c) The extant legislative provisions contained in Section 6(1)(c) of the NABARD Act, 1981, *inter alia,* provide that the Board of Directors of the National Bank shall consist of, among others, three directors from out of the directors of the Reserve Bank. The transfer of stake of RBI in NABARD to the Government is not likely to affect the functioning of rural credit delivery system in the country as the policies in this regard will continue to be shaped by GoI in consultation with RBI and NABARD, nor is it likely to have any adverse effect on the monitoring mechanism of NABARD.

(d) No, Sir.

Sixth Pay Commission Report

28. SHRI DHARAM PAL SABHARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware of print media report regarding Pay panel estimating 150 per cent civil service salary hike.

(b) if so, what are the details in this regard;

(c) whether the Sixth Pay Commission Report has been finalized; and

(d) if so, the salient features of the recommendations of the report?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) No specific instance has been brought to the notice of the Government, though there may be a number of speculative reports on the recommendations of the Sixth Central Pay Commission in the media. The Government has not so far received the Report of the Commission. As per the Terms of Reference, it is to finalize and submit its Report within 18 months of its constitution, i.e. by 4th April 2008.

Financing of infrastructure projects

29. SHRI VIJAY J. DARDA:
SHRI GIREESH KUMAR SANGHI:

Will the Minister of FINANCE be pleased to state·

(a) whether it is proposed to use the country's "Reserves" for financing infrastructure projects;